

Dear Prospective First Time Homebuyer:

Thank you for your interest in the Dutchess County First Time Homebuyer Program. This program provides up to \$8,000 to help with downpayment and closing costs associated with the purchase of home by an income eligible, first time homebuyer. Applications are reviewed and approved on a first-come, first-serve basis.

Review the enclosed guidelines carefully. It is your responsibility to understand the guidelines and the process. Failure to do so could result in you losing a property which you would like to purchase.

For questions related to the application or the program, I can be reached at (845) 486-3600.

Sincerely,

Anne Saylor  
Housing Coordinator

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**COUNTY OF DUTCHESS  
FIRST TIME HOMEBUYER PROGRAM  
GUIDELINES/REQUIREMENTS**

**Section I - General Requirements**

1. A first time homebuyer as defined by the program.
2. A resident of Dutchess County, employed in Dutchess County or have a job offer in Dutchess County.
3. Credit worthy as to qualify for a 30 year fixed rate mortgage with a participating bank. The maximum ratio of monthly housing expenses to gross monthly income is 33%. The maximum ratio of total monthly debt (housing plus other debt such as car, student loan, credit card...) to gross monthly income is 38%. Preliminary applications where the households non-housing debt exceeds 10% of their gross income will not be approved. The County will consider exceptions to these ratios upon the recommendation of a participating bank.
4. Income eligible according to the following guidelines:

**Maximum gross annual household income-**

Family Size	Income Limits	Family Size	Income Limits
1	\$38,150	5	\$58,850
2	\$43,600	6	\$63,200
3	\$49,050	7	\$67,550
4	\$54,500	8	\$71,900

Minimum gross annual household income - \$20,000.

Annual income is the gross income anticipated to be received by all adults (18 years of age or older) in a household during the 12 months following the submission of the application. Anticipated income is generally determined by annualizing current income for the next 12 months. Income includes but is not limited to: wages/overtime, commissions/bonuses, net income from business/real or personal property, dividends/interest, social security/ retirement funds/pension, annuities, welfare, unemployment, worker's compensation, and alimony/child support.

You must submit the following documents with the preliminary application: the most recent three months pay stubs, 2003 annual benefit statements (pensions and social security), and other income documentation as applicable . You must also submit your 2001 and 2002 **Federal** Income Tax Statements. Do not send original documents. There will be a charge if we need to copy and return originals.

5. Must be able to pay at least 1-3% of the purchase price from personal savings towards the downpayment depending on the mortgage product which the applicant has chosen or is eligible. Applicants must have at least \$1,800 at the time the preliminary application is submitted. A bank statement must be submitted to verify savings. Applicants must be able to pay non-eligible closing costs.

6. The maximum permitted downpayment is 5% of the purchase price.
7. Must have verified cash shortfall. This determination will be made by the participating bank through the eligibility worksheet.
8. Must have the equivalent of 2 months mortgage payments in reserve upon submission of the final DHP application.
9. The term of the deferred payment loan is 10 years. The full amount of the loan will be due if the property is sold or ceases to be utilized as an owner-occupied property during the first full five years measured from the date of acquisition. During the sixth through tenth year, the amount due decreases by 20% for each full year the borrower remains in the property.

A restriction will be placed in your deed at closing to ensure compliance and you will be required to sign a promissory note.

## Section II - Eligible Properties

1. Existing, single family detached residences and attached townhouses located in any Dutchess County municipality except the City of Poughkeepsie, which has its own program.
2. The appraised value of the property may not exceed \$226,100.00.
3. The property must meet Section 8 Housing Quality Standards. The County will also conduct a visual inspection for deteriorated paint. Any deteriorated paint must be stabilized prior to the homebuyer moving in. This stabilization must be done in accordance with safe work practices and the property must pass clearance testing upon completion of the work. Information on safe work practices and clearance is available from the County. **The borrower must notify the County as soon as a contract is signed so an inspection can be conducted.**

## Section III - Program Benefits

1. Participating banks will finance up to 99% of the purchase price or appraisal value, whichever is less, for 30 years at a fixed rate. (The percentage will depend on the product for which you are eligible and/or choose.)
2. The County will provide a deferred payment loan, up to \$8,000, to assist with the downpayment and closing costs. The loan amount will be based on your cash shortfall determined by the bank. County funds can be used to pay:
  - Up to 2% of the purchase price as a contribution to the downpayment. (The purchaser must put at least 1% of their own money towards the downpayment.)
  - All closing costs listed in the program eligible closing cost section of the County's application. This excludes excessive borrower attorney costs, excessive bank processing fees, homeowner's insurance, and fuel adjustments. The program will pay bank required tax escrows or adjustments equivalent to 1 year's taxes.

## Section IV - Application Process

### STEP 1 – Preliminary Application

1. Submit a preliminary application to County. With this application you must submit **copies** of: the last three months paystubs, the last two year's federal income tax statements and a bank statement verifying \$1,800 in savings.
2. Upon approval of your preliminary application, you will receive an eligibility certificate good for approximately 90 days.
3. Applications will be accepted first-come, first-serve. A waiting list will be kept once all funds are allocated.

### STEP 2 – Final Application/Approval

1. When you have a purchase contract on a property, submit a standard mortgage application with a participating bank. The County's Certificate of Preliminary Eligibility must be submitted with the mortgage application. The bank will determine if a cash shortfall exists. Applications with shortfalls in excess of \$8,000 will be denied.
2. As soon as a shortfall is shown, two items must be completed.
  - a. The borrower must contact the County to set up an inspection of the property for compliance as noted above in Section II. Item 3.
  - b. The bank should complete the final County application and forward it to the County. The borrower is responsible for insuring that the bank submits this application.
3. Once this application is approved the County will forward an approval letter and agreement to the borrower. Execution of this agreement takes approximately two weeks and funds cannot be drawdown until the agreement is executed.

### STEP 3- Closing

1. Unlike a regular closing which can be set up in a couple days, closings under the County program must be set-up and closing costs submitted at least two weeks in advance to allow the County to drawdown the funds from the funding source. Requests for funds are processed each Monday and checks are available the second Monday after the drawdown. It is the borrower's responsibility to understand this process as it relates to your schedule.

Participating Banks

Ulster Savings Bank	(845)473-3500	Joe Frasch
HSBC	(845)473-7261	Kathleen Langton
Charter One Bank	(800)252 2500 x 2234	Scott Wallingford